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HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2006
OF THE CONDITION AND AFFAIRS OF THE

Tennessee Behavioral Health, Inc.

NAIC Group Code	0000	0000	NAIC Company Code	95780	Employer's ID Number	62-1621636
	(Current Period)	(Prior Period)				
Organized under the Laws of	Tennessee			State of Domicile or Port of Entry	Tennessee	
Country of Domicile	United States					
Licensed as business type:	Life, Accident & Health [] Property/Casualty [] Dental Service Corporation []					
	Vision Service Corporation [] Other [] Health Maintenance Organization []					
	Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [] No []					
Incorporated/Organized	12/15/1995			Commenced Business	07/01/1996	
Statutory Home Office	222 Second Ave. N. Suite 220			Nashville, TN 37201		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	222 Second Ave. N. Suite 220			Nashville, TN 37201		
	(Street and Number)			(City or Town, State and Zip Code)		
	Nashville, TN 37201			615-313-4463		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)		
Mail Address	222 Second Ave. N. Suite 220			Nashville, TN 37201		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	222 Second Ave. N. Suite 220			Nashville, TN 37201		
	(Street and Number)			(City or Town, State and Zip Code)		
	Nashville, TN 37201			615-313-4463		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)		
Internet Website Address	N/A					
Statutory Statement Contact	Michael Fotinos			410-953-1643		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	mdfotinos@magellanhealth.com			410-953-5205		
	(E-mail Address)			(FAX Number)		
Policyowner Relations Contact						
	(Street and Number)					
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number) (Extension)		

OFFICERS

Name	Title	Name	Title
Russell C. Petrella	President	Andrew Mark Cummings	Secretary

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Mark Steven Demilio	Russell C. Petrella
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State of Connecticut ss Curran
County of Hartford

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Russell C. Petrella President	Andrew Mark Cummings Secretary

Subscribed and sworn to before me this
22nd day of June, 2007

RAYMONDE A. PELLETIER
NOTARY PUBLIC
MY COMMISSION EXPIRES AUG. 31, 2008

a. Is this an original filing? Yes [] No [X]
b. If no,
1. State the amendment number 1
2. Date filed 6/28/2007
3. Number of pages attached 1

UNDERWRITING AND INVESTMENT EXHIBIT**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building).....			247,309		247,309
2. Salaries, wages and other benefits.....			8,895,628		8,895,628
3. Commissions (less \$ ceded plus \$ assumed).....			26,784		26,784
4. Legal fees and expenses.....			102,122		102,122
5. Certifications and accreditation fees.....			765		765
6. Auditing, actuarial and other consulting services.....			1,078,553		1,078,553
7. Traveling expenses.....			324,522		324,522
8. Marketing and advertising.....			213,129		213,129
9. Postage, express and telephone.....			397,005		397,005
10. Printing and office supplies.....			528,886		528,886
11. Occupancy, depreciation and amortization.....			4,056,693		4,056,693
12. Equipment.....			6,296		6,296
13. Cost or depreciation of EDP equipment and software.....					0
14. Outsourced services including EDP, claims, and other services.....			(7,151)		(7,151)
15. Boards, bureaus and association fees.....			53,121		53,121
16. Insurance, except on real estate.....					0
17. Collection and bank service charges.....			75,223		75,223
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....			4,722		4,722
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....			3,808,834		3,808,834
23.3 Regulatory authority licenses and fees.....					0
23.4 Payroll taxes.....					0
23.5 Other (excluding federal income and real estate taxes).....			47,759		47,759
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	0	1,944,781	0	0	1,944,781
26. Total expenses incurred (Lines 1 to 25).....	0	1,944,781	19,860,200	0	(a) 21,804,981
27. Less expenses unpaid December 31, current year.....			321,852		321,852
28. Add expenses unpaid December 31, prior year.....	0	0	326,396	0	326,396
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	0	1,944,781	19,864,744	0	21,809,525
DETAIL OF WRITE-INS					
2501. Claims processing allocated from parent.....		1,944,781			1,944,781
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598)(Line 25 above).....	0	1,944,781	0	0	1,944,781

(a) Includes management fees of \$ 17,503,028 to affiliates and \$ 0 to non-affiliates.